THE COMMONWEALTH OF MASSACHUSETTS EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT



SUZANNE M. BUMP SECRETARY

November 30, 2009

Honorable Governor Deval L. Patrick and Honorable Lt. Governor Timothy P. Murray State House, Room 360 Boston, Massachusetts 02133

Dear Governor Patrick and Lt. Governor Murray,

After three too-short years of the first Patrick-Murray administration, I have decided to leave state service in order to prepare for the next stage in my professional life. My last day in my position will be Tuesday, December 1. It has been a privilege and a source of joy and satisfaction to have been a member of your cabinet and to have served the people of the Commonwealth.

As you and your cabinet were preparing to take office, your Transition Team Working Group on Workforce Development presented us with a report which called for a stronger, more cohesive workforce development system. The educators, researchers, labor leaders, and non-profit executives who comprised the working group advocated more dynamic partnerships with educational institutions, community based organizations, employers and other agencies of government.

In order to achieve these goals, all our workforce development activities advanced one of three specific strategies:

- 1) Focusing on building the capacity of the workforce development system, we have been improving internal functions and integrating accountability and have instilled in the regional workforce boards higher performance standards, more effective programs with local education partners and employers, and long-range planning capability. The formerly dormant Governor's Workforce Investment Board has been revitalized and is now both a resource and a public-private guiding force in policy development and system oversight.
- 2) To attain greater alignment of state resources with employer and worker needs we have worked closely with sister state agencies whose missions complement ours. Examples include our initiatives for youth-at-risk with EOPSS, for disabled

persons with MRC, for workers with low language skills with DESE, for workers with retraining needs with DHE.

More than \$56 million in targeted grants has enabled over 70,000 workers to prepare for jobs in industries critical to our growth, and more than 44,000 displaced workers at over 600 businesses have been assisted through our Rapid Response program, which is a national model.

We also have created new tools for collecting and analyzing labor market data, for tracking worker skill gains and assessing program effectiveness, and for helping the unemployed find jobs. These new information systems enable all workforce system partners, including our community and state colleges, to better serve both workers and employers.

3) In working to enhance the youth pipeline, we have made much tangible progress in better serving youth at risk of dropping out of school and the workforce. In addition to serving more than 21,000 young people over three years through summer jobs and school-to-work programming, EOLWD has been a key contributor to the efforts of the Executive Office of Education's Readiness Project and Drop-out Commission, and the workforce development system figures prominently in its strategies for closing the achievement gap.

As Secretary of this new office, my challenge was to accomplish these goals within a system that, by virtue of its federal design, can become a fragmented one – and that is what we inherited. We needed to fundamentally alter the relationship between the state and the sixteen local Workforce Investment Boards, to move from a power struggle model to a dynamic relationship based on mutual support. After three years, through effective dialogue and committed work, we have established a truly unprecedented level of collaboration between EOLWD and our WIB partners in the regional planning and delivery of education and training services.

The early identification of priorities and joint attainment of significant milestones during the first two years of the administration greatly enhanced our ability to take on the considerable challenge of efficiently and effectively managing the \$740 million in ARRA stimulus funds which the US Department of Labor provided earlier this year.

This recession has presented enormous challenges to every resident and institution in this state, including the agency responsible for administering the unemployment insurance system. The existing infrastructure, neglected by prior administrations, is barely adequate to meet the demands of serving increasing thousands of unemployed persons. Keeping a focus on customer service, we have avoided the collapses of telephone and computer systems which have occurred in other states, and have expanded hours of operation and implemented more efficient means of serving the unemployed visiting our career centers. Soon the wisdom of planning decisions early in this administration, like the bonding in 2007 of \$41 million to replace our aged computer system, will be evidenced, as the revenue side of that operation comes on line.

The transition working group also recognized that the goals of economic equity and security demanded that this new office take a leading role in preventing the exploitation of workers through improved enforcement of labor standards. Executive Order 499, which you signed in May of 2008, gave force and direction to the Joint Task Force on the Underground Economy and Employee Misclassification. Consisting of 17 state agencies and stretching across three constitutional offices, it investigates and pursues employers operating in violation of licensing, tax, wage, unemployment insurance, and workers' compensation requirements. Its work has yielded criminal prosecutions, civil enforcement actions, and the collection of more than \$1 million in restitution and penalties.

Of course, there have been numerous other ways that we have addressed legitimate and long-ignored concerns of workers. For instance:

More than \$2 million in workplace safety grants has helped employers prevent occupational accidents and illnesses.

Executive Order 511, signed in April of 2009, represents an important step in the recognition by state government of its own responsibility to ensure safe and healthy workplaces for its own employees.

The signing into law of the Commonwealth's written majority card authorization law has enabled more than 1200 public sector workers to collectively bargain for the first time.

Fair labor standards have been written into the state's economic development plans, including the Life Sciences Initiative, and other incentive programs.

More than 50 individuals affiliated with organized labor have been appointed to state boards and commissions, ensuring a voice for organized labor in government policy-making.

Working with the insurance industry and the employer community, we have produced on-line access to real-time information as to employers' workers' compensation coverage – providing another tool to fight employer fraud and to ensure medical and financial support in the case of on-the-job accidents.

Throughout all my work on behalf of this administration there has been a focus on effective, efficient and accountable government. Accomplishments include:

Through agency consolidation, we streamlined and de-politicized administration of the state's labor relations agencies, achieving a 22% reduction in the open case docket and reducing from 2-3 years to 2-3 months the time it takes to get to a probable cause determination. This furthers justice and limits the financial exposure of public employers, including cities and towns, to employee legal awards.

The institution of direct deposit for unemployment insurance claimants has replaced most paper checks and saves \$3.5 million annually.

Declines in caseload and the introduction of new technology have prompted a comprehensive review at the Department of Industrial Accidents that is expected to lead to personnel savings and a decline in the assessments employers pay to support agency operations.

Annual reports now track all workforce development program spending, providing objective information by which to assess the impact of public investments in education and training.

The professional development program launched this fall within the secretariat will identify personnel training needs, create career paths and enhance succession planning across EOLWD. This is especially important in the DWD agencies, which have high levels of older workers.

My achievements in all these areas demonstrate the value of vision, commitment and leadership, and I appreciate the support you have provided to me. The focus I have put on customer service, performance results and engagement in cross-agency collaboration, as well as partnerships with employers and others in the private sector, has been in support of your agenda, but it also reflects my respect for the functions of government and our obligations to the taxpayers of the Commonwealth.

In all that we have been able to accomplish, I am indebted to the wonderful people who have worked with me in the executive office and across the agencies of EOLWD. They have been resilient in the face of challenge, courageous in their response to the economic recession, creative in their solutions to problems and thoroughly dedicated to serving the public. I will miss them, every one.

My colleagues in the cabinet have responded with great openness to the opportunities for "breaking down the silos," and I am grateful for their support and friendship.

Lastly, I must recognize and commend all those who have partnered with me from outside the executive branch. Legislators, mayors, labor leaders, educators, workforce professionals, business people, community-based organizations, advocates of all stripes – all of them have enriched my work with their ideas and my life with their commitment.

With sincere appreciation for this opportunity, I remain,

Suzanne M. Bump